



HEALTH QUARTERLY STATEMENT

AS OF MARCH 31, 2004
OF THE CONDITION AND AFFAIRS OF THE

Priority Health

NAIC Group Code	3383	3383	NAIC Company Code	95561	Employer's ID Number	38-2715520
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Dental Service Corporation [] Vision Service Corporation [] Other [] Health Maintenance Organization [X] Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [] No [X]					
Date Incorporated	03/07/1986		Commenced Business	10/15/1986		
Statutory Home Office	1231 East Beltline NE			Grand Rapids, MI 49525-4501		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	1231 East Beltline NE		Grand Rapids, MI 49525-4501	616-464-8235		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Mail Address	1231 East Beltline NE		Grand Rapids, MI 49525-4501			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	1231 East Beltline NE		Grand Rapids, MI 49525-4501	616-464-8235		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Internet Website Address	www.priority-health.com					
Statutory Statement Contact	Malcolm Hall			616-464-8235		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	malcolm.hall@priority-health.com			616-942-7916		
	(E-mail Address)			(FAX Number)		
Policyowner Relations Contact						
	(Street and Number)			(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)		

OFFICERS

Name	Title	Name	Title
Kimberly K Horn	Chief Executive Officer	Judith W Hooyenga	Secretary
Dennis J Reese	Chief Financial Officer		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Richard C. Breon	Joseph L Brock	Harold E Burrell	Gaylen J Byker
James H Childress	Kenneth J Fawcett	Michael P Freed	Jon M Gans
David E Gast	Gail D Gwizdala	Jerold R Harwood	Edward A Higuera
Nicholas P Kokx	Lynn M Kotecki	Peter B Lundeen	Charles E McCallum
George N Monsma	Timothy V Smith	Hilary F Snell	Dale M Sowders
Jody D Vanderwel	Thomas J Wesholski	David B Johnson	Dennis Aloia
Daniel H Baldwin	Stephen W Burkhammer		

State of Michigan
County of Kent ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kimberly K Horn
Chief Executive Officer

Judith W Hooyenga
Secretary

Dennis J Reese
Chief Financial Officer

Subscribed and sworn to before me this
12th day of May, 2004

Cheryl Britcher, Executive Administrative Assistant
12/30/2005

- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	61,101,388		61,101,388	58,470,045
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	515,458	283,502	231,956	471,229
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ (4,911,569)), cash equivalents (\$ 123,064,590) and short-term investments (\$ 51,641,028)	169,794,048		169,794,048	143,928,926
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets	5,223,080	0	5,223,080	5,194,341
8. Receivable for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	236,633,974	283,502	236,350,472	208,064,541
11. Investment income due and accrued	1,237,369		1,237,369	1,330,175
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection	8,551,319	120,439	8,430,880	5,900,266
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
12.3 Accrued retrospective premiums			0	0
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers	7,637		7,637	138,874
13.2 Funds held by or deposited with reinsured companies			0	0
13.3 Other amounts receivable under reinsurance contracts			0	0
14. Amounts receivable relating to uninsured plans			0	0
15.1 Current federal and foreign income tax recoverable and interest thereon			0	0
15.2 Net deferred tax asset			0	0
16. Guaranty funds receivable or on deposit			0	0
17. Electronic data processing equipment and software	325,370	299,466	25,904	22,567
18. Furniture and equipment, including health care delivery assets (\$)	40,870	40,870	0	0
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
20. Receivables from parent, subsidiaries and affiliates	57,842		57,842	2,141,844
21. Health care (\$) and other amounts receivable	7,792,380	4,086,333	3,706,047	4,340,246
22. Other assets nonadmitted			0	0
23. Aggregate write-ins for other than invested assets	937,914	504,718	433,196	448,126
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	255,584,675	5,335,328	250,249,347	222,386,639
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	255,584,675	5,335,328	250,249,347	222,386,639
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. LT Investment in Michigan Affiliated Health Plan	15,000	15,000	0	0
2302. Goodwill	433,196		433,196	448,126
2303. Prepaid Expenses	489,718	489,718	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	937,914	504,718	433,196	448,126

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$18,647 reinsurance ceded)	..64,773,832	..9,315,733	..74,089,565	..71,525,377
2. Accrued medical incentive pool and bonus amounts .....	..44,630,176		..44,630,176	..33,897,648
3. Unpaid claims adjustment expenses .....	..1,321,915	..190,117	..1,512,032	..1,459,701
4. Aggregate health policy reserves .....			..0	..0
5. Aggregate life policy reserves .....			..0	..0
6. Property/casualty unearned premium reserve .....			..0	..0
7. Aggregate health claim reserves .....			..0	..0
8. Premiums received in advance .....	..19,342,561		..19,342,561	..14,117,638
9. General expenses due or accrued .....	..539,799		..539,799	..1,211,881
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)) .....			..0	..0
10.2 Net deferred tax liability.....			..0	..0
11. Ceded reinsurance premiums payable .....			..0	..0
12. Amounts withheld or retained for the account of others .....			..0	..0
13. Remittances and items not allocated .....			..0	..0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current) .....			..0	..0
15. Amounts due to parent, subsidiaries and affiliates .....	..1,330,830		..1,330,830	..233,903
16. Payable for securities .....			..0	..0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$unauthorized reinsurers) .....			..0	..0
18. Reinsurance in unauthorized companies .....			..0	..0
19. Net adjustments in assets and liabilities due to foreign exchange rates .....			..0	..0
20. Liability for amounts held under uninsured accident and health plans .....			..0	..0
21. Aggregate write-ins for other liabilities (including \$ current) .....	..0	..0	..0	..0
22. Total liabilities (Lines 1 to 21).....	..131,939,113	..9,505,850	..141,444,963	..122,446,148
23. Common capital stock .....	..XXX	..XXX	..10,524	..10,524
24. Preferred capital stock .....	..XXX	..XXX		..0
25. Gross paid in and contributed surplus .....	..XXX	..XXX	..35,819,002	..35,819,002
26. Surplus notes .....	..XXX	..XXX		..0
27. Aggregate write-ins for other than special surplus funds .....	..XXX	..XXX	..1,000,000	..1,000,000
28. Unassigned funds (surplus) .....	..XXX	..XXX	..71,974,858	..63,110,965
29. Less treasury stock, at cost:				
29.1 .....shares common (value included in Line 23) \$ ..... ) .....	..XXX	..XXX		..0
29.2 .....shares preferred (value included in Line 24) \$ ..... ) .....	..XXX	..XXX		..0
30. Total capital and surplus (Lines 23 to 28 minus Line 29) .....	..XXX	..XXX	..108,804,384	..99,940,491
31. Total liabilities, capital and surplus (Lines 22 and 30)	..XXX	..XXX	..250,249,347	..222,386,639
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page .....	..0	..0	..0	..0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	..0	..0	..0	..0
2701. Appropriated Retained Earnings.....	..XXX	..XXX	..1,000,000	..1,000,000
2702. ....	..XXX	..XXX		
2703. ....	..XXX	..XXX		
2798. Summary of remaining write-ins for Line 27 from overflow page .....	..XXX	..XXX	..0	..0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	..XXX	..XXX	..1,000,000	..1,000,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	1,058,976	3,866,469
2. Net premium income (including non-health premium income).....	XXX	228,212,155	183,101,733
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	39,284	27,323
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	228,251,439	183,129,056
Hospital and Medical:			
9. Hospital/medical benefits		149,712,442	116,933,118
10. Other professional services		94,846	132,951
11. Outside referrals		4,702,685	4,101,450
12. Emergency room and out-of-area		3,713,460	3,460,751
13. Prescription drugs		40,855,796	36,737,594
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15)	0	199,079,229	161,365,864
Less:			
17. Net reinsurance recoveries		67,470	0
18. Total hospital and medical (Lines 16 minus 17)	0	199,011,759	161,365,864
19. Non-health claims			0
20. Claims adjustment expenses, including \$ cost containment expenses.....		3,225,320	2,339,712
21. General administrative expenses.....		18,276,815	13,258,365
22. Increase in reserves for life and accident and health contracts including \$ increase in reserves for life only).....			0
23. Total underwriting deductions (Lines 18 through 22)	0	220,513,894	176,963,941
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	7,737,545	6,165,115
25. Net investment income earned		899,531	479,096
26. Net realized capital gains (losses)		16,006	(243,107)
27. Net investment gains (losses) (Lines 25 plus 26)	0	915,537	235,989
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	8,653,082	6,401,104
31. Federal and foreign income taxes incurred	XXX		0
32. Net income (loss) (Lines 30 minus 31)	XXX	8,653,082	6,401,104
DETAILS OF WRITE-INS			
0601. COB and Subrogation.....	XXX	39,284	27,323
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	39,284	27,323
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0

CAPITAL AND SURPLUS ACCOUNT

	1 Current Year to Date	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior reporting year.....	99,940,491	61,903,566
GAINS AND LOSSES TO CAPITAL & SURPLUS:		
34. Net income or (loss) from Line 32	8,653,082	31,328,331
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Net unrealized capital gains and losses		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax		0
39. Change in nonadmitted assets	182,074	986,769
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock		0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in		0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in		6,058,234
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	28,737	(336,409)
48. Net change in capital & surplus (Lines 34 to 47)	8,863,893	38,036,925
49. Capital and surplus end of reporting period (Line 33 plus 48)	108,804,384	99,940,491
DETAILS OF WRITE-INS		
4701. Gain/(Loss) in Affiliates.....	123,710	(240,100)
4702. Change in Non-Admitted Assets of Affiliates.....	(94,973)	(96,309)
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	28,737	(336,409)

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	230,875,812	787,133,779
2. Net investment income	1,181,449	2,735,458
3. Miscellaneous income	630	2,761,196
4. Total (Lines 1 to 3)	232,057,891	792,630,433
5. Benefits and loss related payments	185,583,806	643,617,650
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions	22,121,886	69,553,708
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	207,705,692	713,171,358
11. Net cash from operations (Line 4 minus Line 10)	24,352,199	79,459,075
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	4,235,224	36,592,772
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	1
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(446,854)	(1,174,746)
12.7 Miscellaneous proceeds	457,044	1,670,944
12.8 Total investment proceeds (Lines 12.1 to 12.7)	4,245,414	37,088,971
13. Cost of investments acquired (long-term only):		
13.1 Bonds	7,039,672	54,229,024
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	1	0
13.5 Other invested assets	0	2,010,000
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	7,039,673	56,239,024
14. Net increase (or decrease) in policy loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(2,794,259)	(19,150,053)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	6,058,231
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	4,307,182	(1,576,144)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	4,307,182	4,482,087
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Lines 15 and 17)	25,865,122	64,791,109
19. Cash and short-term investments:		
19.1 Beginning of period	143,928,926	79,137,817
19.2 End of period (Line 18 plus Line 19.1)	169,794,048	143,928,926

STATEMENT AS OF MARCH 31, 2004 OF THE Priority Health

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	335,480	786	334,694	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. First Quarter	354,266	792	353,474										
3. Second Quarter .....	.0												
4. Third Quarter .....	.0												
5. Current Year	0												
6. Current Year Member Months	1,058,976	2,391	1,056,585										
Total Member Ambulatory Encounters for Period:													
7. Physician	563,137	1,271	561,866										
8. Non-Physician	15,269	34	15,235										
9. Total	578,406	1,305	577,101	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	18,687	493	18,194										
11. Number of Inpatient Admissions	4,985	11	4,974										
12. Health Premiums Written	220,456,618	667,091	219,789,527										
13. Life Premiums Direct.....	.0												
14. Property/Casualty Premiums Written .....	.0												
15. Health Premiums Earned	228,212,155	.690,559	.227,521,596										
16. Property/Casualty Premiums Earned .....	.0												
17. Amount Paid for Provision of Health Care Services	183,936,535	.539,575	.183,386,668						10,292				
18. Amount Incurred for Provision of Health Care Services	199,079,229	583,996	198,484,094						11,139				

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

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UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	42,661,638	141,264,605	13,045,578	61,039,485	55,707,216	71,507,695
2. Medicare Supplement .....					.0	.0
3. Dental Only .....					.0	.0
4. Vision Only .....					.0	.0
5. Federal Employees Health Benefits Plan .....					.0	.0
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid	10,292		4,594		14,886	17,682
8. Other Health .....					.0	.0
9. Health Subtotal (Lines 1 to 8).....	42,671,930	141,264,605	13,050,172	61,039,485	55,722,102	71,525,377
10. Other non-health .....					.0	.0
11. Medical incentive pools and bonus amounts	1,778,416		34,488,465	10,141,711	36,266,881	33,897,648
12. Totals	44,450,346	141,264,605	47,538,637	71,181,196	91,988,983	105,423,025

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

The Plan is exempt from federal income taxes as an organization described under Internal Revenue Code Section 501(c)(4). Therefore, income tax expense has not been recorded.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

This note is Not Applicable to the Plan.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes ☐ No ☒
- 1.2

If yes, explain:
.....
- 2.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 2.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 3.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 3.2

If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

6.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

If yes, attach an explanation.

Yes ☐ No ☒ NA ☐
- 7.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/1999
- 7.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/1999
- 7.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/21/2001
- 7.4

By what department or departments?
.....
- 8.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes ☐ No ☒
- 8.2

If yes, give full information:
.....
- 9.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes ☐ No ☒
- 9.2

If response to 9.1 is yes, please identify the name of the bank holding company.
.....
- 9.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes ☐ No ☒
- 9.4

If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....
.....
.....

GENERAL INTERROGATORIES
INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]

10.2 If yes, explain:
.....

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

11.2 If yes, give full and complete information relating thereto:
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:\$0

13. Amount of real estate and mortgages held in short-term investments:\$0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No []

14.2 If yes, please complete the following:

		1 Prior Year-End Statement Value	2 Current Quarter Statement Value
14.21 Bonds .....	\$	.....	\$ .....0
14.22 Preferred Stock .....	\$	.....	\$ .....0
14.23 Common Stock .....	\$	.....	\$ .....0
14.24 Short-term Investments .....	\$	.....	\$ .....0
14.25 Mortgages, Loans or Real Estate .....	\$	.....	\$ .....0
14.26 All Other .....	\$	.....5,194,339	\$5,213,080
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$	.....5,194,339	\$5,213,080
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$	.....5,194,339	\$5,213,080
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above .....	\$	.....3,608	\$0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [X]

If no, attach a description with this statement.

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Fifth Third Bank.....	Cincinnati, OH 45263.....
Huntington National Bank.....	Columbus, OH 43216.....
Prime Advisors, Inc.....	Bloomfield, Connecticut 06002.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

SCHEDULE A - VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	554,388	714,177
2. Increase (decrease) by adjustment	(38,930)	(159,789)
3. Cost of acquired		0
4. Cost of additions to and permanent improvements		0
5. Total profit (loss) on sales		0
6. Increase (decrease) by foreign exchange adjustment		0
7. Amount received on sales		0
8. Book/adjusted carrying value at end of current period	515,458	554,388
9. Total valuation allowance		0
10. Subtotal (Lines 8 plus 9)	515,458	554,388
11. Total nonadmitted amounts	283,502	83,159
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	231,956	471,229

SCHEDULE B – VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		0
2.2. Additional investment made after acquisitions		0
3. Accrual of discount and mortgage interest points and commitment fees		0
4. Increase (decrease) by adjustment		0
5. Total profit (loss) on sale		0
6. Amounts paid on account or in full during the period		0
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment		0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	0	0

SCHEDULE BA – VERIFICATION

Other Invested Assets Included in Schedule BA

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	5,194,341	3,520,750
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions		0
2.2. Additional investment made after acquisitions		2,010,000
3. Accrual of discount		0
4. Increase (decrease) by adjustment	28,739	(336,409)
5. Total profit (loss) on sale		0
6. Amounts paid on account or in full during the period		0
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment		0
9. Book/adjusted carrying value of long-term invested assets at end of current period	5,223,080	5,194,341
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	5,223,080	5,194,341
12. Total nonadmitted amounts		0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	5,223,080	5,194,341

SCHEDULE D - VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	58,470,044	41,313,771
2. Cost of bonds and stocks acquired	7,039,672	54,229,023
3. Accrual of discount	7,225	
4. Increase (decrease) by adjustment		(686,038)
5. Increase (decrease) by foreign exchange adjustment		0
6. Total profit (loss) on disposal	16,007	206,060
7. Consideration for bonds and stocks disposed of	4,235,224	36,592,772
8. Amortization of premium	196,336	
9. Book/adjusted carrying value, current period	61,101,388	58,470,044
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	61,101,388	58,470,044
12. Total nonadmitted amounts		0
13. Statement value	61,101,388	58,470,044

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	111,545,873	24,015,064	25,588,594	(506,456)	109,465,887	0	0	111,545,873
2. Class 2	4,080,671		789,739	(14,292)	3,276,640	0	0	4,080,671
3. Class 3	0				0	0	0	0
4. Class 4	0				0	0	0	0
5. Class 5	0				0	0	0	0
6. Class 6	0				0	0	0	0
7. Total Bonds	115,626,544	24,015,064	26,378,333	(520,748)	112,742,527	0	0	115,626,544
PREFERRED STOCK								
8. Class 1	0				0	0	0	
9. Class 2	0				0	0	0	
10. Class 3	0				0	0	0	
11. Class 4	0				0	0	0	
12. Class 5	0				0	0	0	
13. Class 6	0				0	0	0	
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	115,626,544	24,015,064	26,378,333	(520,748)	112,742,527	0	0	115,626,544

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	51,641,028	XXX	52,301,392	809,623	124,437

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	57,156,489	29,599,727
2. Cost of short-term investments acquired	16,975,392	79,921,508
3. Increase (decrease) by adjustment	(446,853)	(1,174,746)
4. Increase (decrease) by foreign exchange adjustment		0
5. Total profit (loss) on disposal of short-term investments		0
6. Consideration received on disposal of short-term investments	22,044,000	51,190,000
7. Book/adjusted carrying value, current period	51,641,028	57,156,489
8. Total valuation allowance		0
9. Subtotal (Lines 7 plus 8)	51,641,028	57,156,489
10. Total nonadmitted amounts		0
11. Statement value (Lines 9 minus 10)	51,641,028	57,156,489
12. Income collected during period	238,333	140,175
13. Income earned during period	165,134	626,021

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

STATEMENT AS OF MARCH 31, 2004 OF THE Priority Health

SCHEDULE S—CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

[illegible]

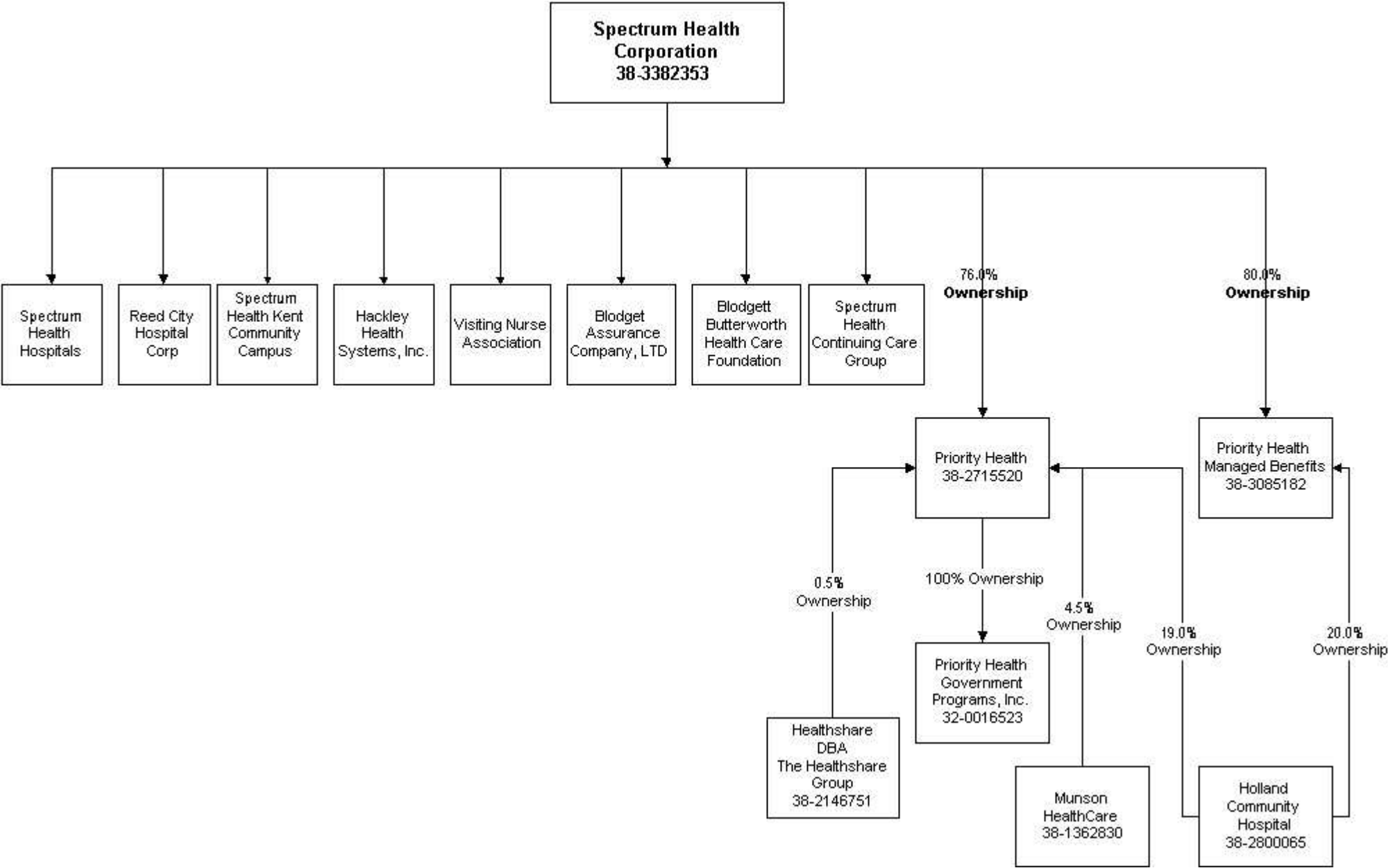
SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	2	Direct Business Only Year-to-Date					
				3	4	5	6	7	8
States, Etc.		Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/ Casualty Premiums
1. Alabama	AL	No	No						
2. Alaska	AK	No	No						
3. Arizona	AZ	No	No						
4. Arkansas	AR	No	No						
5. California	CA	No	No						
6. Colorado	CO	No	No						
7. Connecticut	CT	No	No						
8. Delaware	DE	No	No						
9. District of Columbia	DC	No	No						
10. Florida	FL	No	No						
11. Georgia	GA	No	No						
12. Hawaii	HI	No	No						
13. Idaho	ID	No	No						
14. Illinois	IL	No	No						
15. Indiana	IN	No	No						
16. Iowa	IA	No	No						
17. Kansas	KS	No	No						
18. Kentucky	KY	No	No						
19. Louisiana	LA	No	No						
20. Maine	ME	No	No						
21. Maryland	MD	No	No						
22. Massachusetts	MA	No	No						
23. Michigan	MI	No	Yes	228,212,155					
24. Minnesota	MN	No	No						
25. Mississippi	MS	No	No						
26. Missouri	MO	No	No						
27. Montana	MT	No	No						
28. Nebraska	NE	No	No						
29. Nevada	NV	No	No						
30. New Hampshire	NH	No	No						
31. New Jersey	NJ	No	No						
32. New Mexico	NM	No	No						
33. New York	NY	No	No						
34. North Carolina	NC	No	No						
35. North Dakota	ND	No	No						
36. Ohio	OH	No	No						
37. Oklahoma	OK	No	No						
38. Oregon	OR	No	No						
39. Pennsylvania	PA	No	No						
40. Rhode Island	RI	No	No						
41. South Carolina	SC	No	No						
42. South Dakota	SD	No	No						
43. Tennessee	TN	No	No						
44. Texas	TX	No	No						
45. Utah	UT	No	No						
46. Vermont	VT	No	No						
47. Virginia	VA	No	No						
48. Washington	WA	No	No						
49. West Virginia	WV	No	No						
50. Wisconsin	WI	No	No						
51. Wyoming	WY	No	No						
52. American Samoa	AS	No	No						
53. Guam	GU	No	No						
54. Puerto Rico	PR	No	No						
55. U.S. Virgin Islands	VI	No	No						
56. Canada	CN	No	No						
57. Aggregate Other Alien	OT	XXX	XXX	0	0	0	0	0	0
58. Total (Direct Business)	XXX	(a)	1	228,212,155	0	0	0	0	0
DETAILS OF WRITE-INS									
5701.									
5702.									
5703.									
5798. Summary of remaining write-ins for Line 57 from overflow page				0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)				0	0	0	0	0	0

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing on "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory question.

RESPONSE

1. Will the SVO Compliance Certification be filed with this statement?

.....YES.....

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

STATEMENT AS OF MARCH 31, 2004 OF THE Priority Health

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

1	Location		4	5	6	7	8	9	10
Number of Units and Description	2 City	3 State	Name of Vendor	Date Acquired	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment
<div style="font-size: 100px; font-weight: bold;">NONE</div>									
9999999 Totals									

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Current Quarter

1	Location		4	5	6 Book/ Adjusted Carrying Value Less Encum- brances, Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book/ Adjusted Carrying Value Less Encum- brances at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	2 City	3 State										
Number of Units and Description	City	State	Name of Purchaser or Nature of Disposition	Date Acquired								
Investment in Priority Health Government Programs	Grand Rapids	MI	Operational Gain/Loss by affiliates	10/01/2002	5,194,341	28,739		5,223,080				
1499999 - Any Other Class of Invested Assets					5,194,341	28,739		5,223,080				
9999999 Totals					5,194,341	28,739		5,223,080				

STATEMENT AS OF MARCH 31, 2004 OF THE Priority Health

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator ^(a)
BONDS									
GOVERNMENTS									
UNITED STATES									
3128X2-ZC-2	FHLMC 2.000 02/23/2006		03/26/2004	FIFTHTHIRD		300,750	300,000	600	1
31339Y-GN-6	FHLB 2.625 07/15/2008		03/30/2004	DAIN BOSWORTH		346,413	350,000	1,940	1FE
3133X4-U4-1	FHLB 1.250 03/08/2005		03/02/2004	FIFTHTHIRD		2,000,340	2,000,000		1
31359M-SY-0	FNMA 4.000 09/02/2008		01/30/2004	FIFTHTHIRD		204,096	200,000	3,711	1FE
912827-4Y-5	US TREASURY N/B 3.875 01/15/2009		02/24/2004	FIFTHTHIRD		219,874	170,000	834	1
912828-BZ-2	US TREASURY N/B 3.000 02/15/2009		03/02/2004	FIFTHTHIRD		249,785	250,000	350	1FE
912828-CA-6	US TREASURY N/B 4.000 02/15/2014		03/29/2004	DMG		504,531	500,000	2,418	1FE
912828-CC-2	US TREASURY N/B 2.625 03/15/2009		03/24/2004	FIFTHTHIRD		199,656	200,000	143	1
99B000-17-4	FNMA 3.000 02/17/2009		02/17/2004	FIFTHTHIRD		200,000	200,000		1
0399999 - Total - Bonds - U.S. Government						4,225,446	4,170,000	9,995	XXX
SPECIAL REVENUE & SPECIAL ASSESS.									
UNITED STATES									
31404D-QG-6	FNMA #765555 5.000 12/01/2033		01/05/2004	MORGAN STANLEY		467,801	475,000	858	1
31404J-QD-0	FNMA #770052 4.500 03/01/2019		02/25/2004	DAIN BOSWORTH		353,246	349,965	744	1
99M002-72-3	FNMA TBA 4.500 03/01/2019		02/25/2004	DAIN BOSWORTH		353,281	350,000	744	1
3199999 - Total - Bonds - Special Revenue						1,174,328	1,174,965	2,345	XXX
INDUSTRIAL & MISC. (UNAFFIL)									
UNITED STATES									
209111-DJ-9	CONS EDISON CO OF NY 7.500 09/01/2010		03/23/2004	OTHER		304,875	250,000	1,302	1FE
438516-AL-0	HONEYWELL INTERNATIONAL 6.875 10/03/2005		01/28/2004	JP MORGAN		422,124	390,000	8,863	1FE
55262T-AN-3	MBNAM 1995-C A 6.450 06/15/2005		03/09/2004	DMG		297,522	280,000	1,355	1FE
718507-BJ-4	CONOCOPHILLIPS 6.375 03/30/2009		03/23/2004	UBS		286,245	250,000	7,792	1FE
931142-BE-2	WAL-MART STORES 6.875 08/10/2009		03/23/2004	ADVEST		264,132	225,000	1,977	1FE
CDX062-09-4	COMMUNITY SHORES BANK 3.000 12/29/2006		01/30/2004	FIFTHTHIRD		65,000	65,000		1
4599999 - Total - Bonds - Industrial, Misc.						1,639,898	1,460,000	21,288	XXX
6099997 - Total - Bonds - Part 3						7,039,672	6,804,965	33,628	XXX
6099999 - Total - Bonds						7,039,672	6,804,965	33,628	XXX
6599999 - Total - Preferred Stocks						0	XXX	0	XXX
7299999 - Total - Common Stocks						0	XXX	0	XXX
7399999 - Total - Preferred and Common Stocks						0	XXX	0	XXX
7499999 - Totals						7,039,672	XXX	33,628	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

STATEMENT AS OF MARCH 31, 2004 OF THE Priority Health

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
BONDS GOVERNMENTS UNITED STATES																					
3133MB-EB-9..	FHLB 6.875 02/13/2004.....		02/13/2004..	MATURITY.....		250,000	250,000	265,183	251,366	0	(1,366)	0	(1,366)	0	250,000	0	0	0	7,132	02/13/2004..	1FE...
3133ML-FC-4..	FHLB 3.270 02/12/2004.....		02/12/2004..	MATURITY.....		500,000	500,000	508,235	500,637	0	(637)	0	(637)	0	500,000	0	0	0	7,538	02/12/2004..	1FE...
3133MM-EW-9..	FHLB 3.590 03/25/2004.....		03/25/2004..	MATURITY.....		500,000	500,000	511,075	501,627	0	(1,627)	0	(1,627)	0	500,000	0	0	0	7,348	03/25/2004..	1FE...
912827-S8-7..	US TREASURY N/B 5.875 11/15/2004.....		03/29/2004..	DWG.....		514,922	500,000	541,563	517,930	0	(5,009)	0	(5,009)	0	512,921	0	2,001	2,001	5,966	11/15/2004..	1.....
912828-BQ-2..	US TREASURY N/B 3.375 11/15/2008.....		01/09/2004..	FIFTHTHIRD.....		101,559	100,000	100,734	100,718	0	(4)	0	(4)	0	100,713	0	.845	.845	.534	11/15/2008..	1FE...
99B000-17-4..	FNMA 3.000 02/17/2009.....		02/24/2004..	FIFTHTHIRD.....		201,402	200,000	200,000	200,000	0	0	0	0	0	200,000	0	1,402	1,402	133	02/17/2009..	1.....
039999 - Bonds - U.S. Governments						2,067,882	2,050,000	2,126,790	2,072,278	0	(8,644)	0	(8,644)	0	2,063,634	0	4,249	4,249	28,651	XXX	XXX
SPECIAL REVENUE & SPECIAL ASSESS. UNITED STATES																					
31263H-S9-7..	FHLMC G01444 6.500 08/01/2032.....		03/01/2004..	MBS PAYDOWN.....		76,454	76,454	79,632	76,628	0	(173)	0	(173)	0	76,454	0	0	0	.634	08/01/2032..	1.....
31287X-Z8-2..	FHLMC C70767 6.000 09/01/2032.....		03/01/2004..	MBS PAYDOWN.....		1,525	1,525	1,579	1,526	0	(1)	0	(1)	0	1,525	0	0	0	.14	09/01/2032..	1.....
31292H-R7-1..	FHLMC C01410 6.000 10/01/2032.....		03/01/2004..	MBS PAYDOWN.....		20,491	20,491	21,135	20,513	0	(22)	0	(22)	0	20,491	0	0	0	.191	10/01/2032..	1.....
31292H-RZ-9..	FHLMC C01404 6.500 10/01/2032.....		03/01/2004..	MBS PAYDOWN.....		22,271	22,271	23,106	22,303	0	(32)	0	(32)	0	22,271	0	0	0	.205	10/01/2032..	1.....
3133T2-U4-0..	FHLMC 26 CC 6.500 11/01/2004.....		02/26/2004..	SECURITY CALLED BY ISSUER at 100.000.....		19,000	19,000	19,499	19,221	0	(21)	0	(21)	0	19,200	0	(200)	(200)	.93	11/01/2004..	1.....
31371H-D9-6..	FNMA #252228 7.000 12/01/2028.....		03/01/2004..	MBS PAYDOWN.....		27,717	27,717	29,030	27,830	0	(113)	0	(113)	0	27,717	0	0	0	.207	12/01/2028..	1.....
31371K-T6-8..	FNMA #254473 5.500 10/01/2017.....		03/01/2004..	MBS PAYDOWN.....		21,843	21,843	22,615	21,870	0	(27)	0	(27)	0	21,843	0	0	0	.173	10/01/2017..	1.....
31371K-UC-3..	FNMA #254479 6.500 10/01/2032.....		03/01/2004..	MBS PAYDOWN.....		44,199	44,199	45,711	44,277	0	(78)	0	(78)	0	44,199	0	0	0	.402	10/01/2032..	1.....
31371K-WK-3..	FNMA #254550 6.500 12/01/2032.....		03/01/2004..	MBS PAYDOWN.....		48,319	48,319	50,010	48,409	0	(90)	0	(90)	0	48,319	0	0	0	.463	12/01/2032..	1.....
31371L-DN-6..	FNMA #254909 4.000 07/01/2016.....		03/01/2004..	MBS PAYDOWN.....		15,542	15,542	15,663	15,545	0	(3)	0	(3)	0	15,542	0	0	0	.101	07/01/2016..	1.....
31374G-WG-8..	FNMA #313947 7.000 01/01/2028.....		03/01/2004..	MBS PAYDOWN.....		10,964	10,964	11,485	10,988	0	(24)	0	(24)	0	10,964	0	0	0	.98	01/01/2028..	1.....
31385J-LC-0..	FNMA #545823 5.500 08/01/2017.....		03/01/2004..	MBS PAYDOWN.....		22,050	22,050	22,839	22,077	0	(27)	0	(27)	0	22,050	0	0	0	.199	08/01/2017..	1.....
31385J-RN-0..	FNMA #545993 6.000 11/01/2032.....		03/01/2004..	MBS PAYDOWN.....		49,007	49,007	50,347	49,073	0	(66)	0	(66)	0	49,007	0	0	0	.438	11/01/2032..	1.....
31385W-ZD-0..	FNMA #555272 6.000 03/01/2033.....		03/01/2004..	MBS PAYDOWN.....		73,303	73,303	75,216	73,394	0	(90)	0	(90)	0	73,303	0	0	0	.667	03/01/2033..	1.....
31385W-ZS-7..	FNMA #555285 6.000 03/01/2033.....		03/01/2004..	MBS PAYDOWN.....		43,964	43,964	44,719	43,998	0	(34)	0	(34)	0	43,964	0	0	0	.413	03/01/2033..	1.....
31385X-NR-4..	FNMA #55800 5.500 10/01/2033.....		03/01/2004..	MBS PAYDOWN.....		50,170	50,170	50,623	50,183	0	(13)	0	(13)	0	50,170	0	0	0	.475	10/01/2033..	1.....
31388K-GA-4..	FNMA #606893 6.500 10/01/2031.....		03/01/2004..	MBS PAYDOWN.....		31,773	31,773	32,697	31,825	0	(52)	0	(52)	0	31,773	0	0	0	.266	10/01/2031..	1.....
31388L-C8-1..	FNMA #607695 6.500 11/01/2031.....		03/01/2004..	MBS PAYDOWN.....		33,824	33,824	34,971	33,881	0	(57)	0	(57)	0	33,824	0	0	0	.320	11/01/2031..	1.....
31388R-GT-8..	FNMA #612310 6.000 09/01/2016.....		03/01/2004..	MBS PAYDOWN.....		23,909	23,909	24,708	23,955	0	(46)	0	(46)	0	23,909	0	0	0	.173	09/01/2016..	1.....
31389U-TR-0..	FNMA #636060 7.000 04/01/2032.....		03/01/2004..	MBS PAYDOWN.....		13,426	13,426	13,958	13,439	0	(14)	0	(14)	0	13,426	0	0	0	.218	04/01/2032..	1.....
31390P-TE-7..	FNMA #652249 5.000 09/01/2017.....		03/01/2004..	MBS PAYDOWN.....		56,348	56,348	57,405	56,365	0	(16)	0	(16)	0	56,348	0	0	0	.452	09/01/2017..	1.....

SCHEDULE D - PART 4

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
31391D-DD-2	FNMA #663500 5.500 10/01/2032		03/01/2004	MBS PAYDOWN	44,647	44,647	45,212	44,649	0	(2)	0	(2)	0	44,647	0	0	0	0	222	10/01/2032	1
31391J-JM-3	FNMA #668168 6.000 11/01/2032		03/01/2004	MBS PAYDOWN	14,902	14,902	15,335	14,908	0	(6)	0	(6)	0	14,902	0	0	0	0	143	11/01/2032	1
31391Q-S8-8	FNMA #673843 5.500 10/01/2017		03/01/2004	MBS PAYDOWN	5,106	5,106	5,203	5,107	0	(1)	0	(1)	0	5,106	0	0	0	0	46	10/01/2017	1
31400C-6F-6	FNMA #684070 5.000 05/01/2018		03/01/2004	MBS PAYDOWN	6,351	6,351	6,502	6,353	0	(3)	0	(3)	0	6,351	0	0	0	0	50	05/01/2018	1
31400W-T7-5	FNMA #699974 5.500 04/01/2033		03/01/2004	MBS PAYDOWN	22,180	22,180	22,720	22,196	0	(17)	0	(17)	0	22,180	0	0	0	0	205	04/01/2033	1
31401B-VB-8	FNMA #703610 4.500 06/01/2018		03/01/2004	MBS PAYDOWN	4,831	4,831	4,956	4,834	0	(2)	0	(2)	0	4,831	0	0	0	0	34	06/01/2018	1
31401W-V9-7	FNMA #720740 5.000 07/01/2033		03/01/2004	MBS PAYDOWN	8,997	8,997	9,209	9,002	0	(5)	0	(5)	0	8,997	0	0	0	0	83	07/01/2033	1
31402Q-CF-6	FNMA #734570 5.500 08/01/2033		03/01/2004	MBS PAYDOWN	2,447	2,447	2,426	2,447	0	0	0	0	0	2,447	0	0	0	0	22	08/01/2033	1
31402W-LV-2	FNMA #740243 6.000 10/01/2033		03/01/2004	MBS PAYDOWN	114,952	114,952	116,604	115,047	0	(95)	0	(95)	0	114,952	0	0	0	0	1,155	10/01/2033	1
31403V-GR-4	FNMA #759008 5.000 01/01/2034		03/01/2004	MBS PAYDOWN	3,557	3,557	3,530	3,557	0	0	0	0	0	3,557	0	0	0	0	38	01/01/2034	1
31404D-O6-6	FNMA #765555 5.000 12/01/2033		03/01/2004	MBS PAYDOWN	1,209	1,209	1,191	1,209	0	0	0	0	0	1,209	0	0	0	0	8	12/01/2033	1
99M002-72-3	FNMA TBA 4.500 03/01/2019		02/25/2004	DAIN BOSWORTH	353,281	350,000	353,281	353,281	0	0	0	0	0	353,281	0	0	0	0	744	03/01/2019	1
3199999 - Bonds - Special Revenues					1,288,560	1,285,279	1,313,118	1,289,888	0	(1,129)	0	(1,129)	0	1,288,760	0	(200)	(200)	0	8,953	XXX	XXX
INDUSTRIAL & MISC. (UNAFFIL) UNITED STATES																					
032511-AS-6	ANADARKO PETROLEUM CORP 5.375 03/01/2007		03/23/2004	CITICORP	270,338	250,000	269,753	268,359	0	(1,308)	0	(1,308)	0	267,051	0	3,287	3,287	0	6,344	03/01/2007	2FE
07383F-AA-6	BSCWS 1998-C1 A1 6.340 10/01/2007		03/01/2004	MBS PAYDOWN	17,318	17,318	18,755	17,361	0	(43)	0	(43)	0	17,318	0	0	0	0	148	10/01/2007	1FE
205887-AZ-5	CONAGRA FOODS INC 6.000 09/15/2006		03/23/2004	ADVEST	255,798	235,000	254,825	252,905	0	(1,501)	0	(1,501)	0	251,404	0	4,394	4,394	0	5,980	09/15/2006	2FE
233331-AD-9	DTE ENERGY CO 6.450 06/01/2006		03/23/2004	OTHER	271,008	250,000	270,720	268,476	0	(1,746)	0	(1,746)									

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

STATEMENT AS OF MARCH 31, 2004 OF THE Priority Health

SCHEDULE E - PART 1 - CASH

[illegible]